

EXHIBIT 3

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK.

In re:

ENRON CREDITORS RECOVERY CORP., f/k/a ENRON
CORP., et al.,

Reorganized Debtors.

Case No. 01-16034 (AJG)

Chapter 11

Jointly Administered

ENRON POWER MARKETING, INC.

Plaintiff,

-against-

PUBLIC UTILITY DISTRICT NO. 1 OF SNOHOMISH
COUNTY,

Defendant.

Adversary Proceeding
No. 03-02064

**ORDER STRIKING IN PART CERTAIN DEFENSES OF PUBLIC UTILITY
DISTRICT NO. 1 OF SNOHOMISH COUNTY AND GRANTING
CROSS-MOTION OF SNOHOMISH COUNTY TO COMPEL
ARBITRATION AND DISMISS ADVERSARY PROCEEDING**

The Court, having considered (i) the October 6, 2006 Motion of Enron Power Marketing, Inc. ("EPMI"), for partial summary judgment with supporting papers; (ii) the November 14, 2006 Opposition of Public Utility District No. 1 of Snohomish County ("Snohomish") to EPMI's motion for partial summary judgment with supporting papers; (iii) the November 14, 2006 Cross-Motion of Snohomish to dismiss or, in the alternative, for summary judgment with supporting papers; (iv) the April 14, 2003 Motion of Snohomish to dismiss the adversary proceeding, or in the alternative, to stay it pending arbitration (the

"Arbitration Motion") with supporting papers and as renewed on November 14, 2006; (v) EPMI's December 8, 2006 reply in support of its motion for partial summary judgment; (vi) EPMI's December 8, 2006 opposition to Snohomish's motion to dismiss/motion to stay pending arbitration; (vii) Snohomish's December 22, 2006 reply in support of the Arbitration Motion and its cross-motion for summary judgment; (viii) the February 8, 2007 oral arguments of EPMI and Snohomish before this Court; and for the reasons set forth in the Court's March 9, 2007 Opinion Concerning Plaintiff Enron Power Marketing, Inc.'s Motion for Partial Summary Judgment and Concerning Public Utility District No. 1 of Snohomish County's Cross-Motion to Dismiss or, in the Alternative, for Summary Judgment; and the Court having considered the proposed order submitted by Snohomish and the proposed order submitted by EPMI, it is hereby

ORDERED, that the Court has the power to adjudicate the state law claims raised in this adversary proceeding because the doctrine of primary jurisdiction is not implicated; and it is further

ORDERED, the Court need not defer its ruling on the state law claims raised in this adversary proceeding pending resolution of current proceedings before the Federal Energy Regulatory Commission ("FERC") nor defer such ruling until a determination by FERC as to the validity of the rates in the contract between the parties; and it is further

ORDERED, that the Court has authority to adjudicate the enforceability of that contract's arbitration clause, including the issue of whether arbitrability has been waived by Snohomish County; and it is further

ORDERED, as Snohomish County has not effectively waived its right to arbitration, the Arbitration Motion, as renewed, is granted; and it is further

ORDERED, that any injunction provided for under the Supplemental Modified Fifth Amended Joint Plan of Affiliated Debtors Pursuant to Chapter 11 of the United States Bankruptcy Code or the Order Confirming Supplemental Modified Fifth Amended Joint Plan of Affiliated Debtors Pursuant to Chapter 11 of the United States Bankruptcy Code, and Related Relief dated July 15, 2004, including the continuation of the automatic stay, is lifted solely to permit state law contractual claims and defenses to proceed to arbitration; and it is further

ORDERED, that the above-captioned Adversary Proceeding is dismissed, without prejudice, with the Court retaining jurisdiction over any judicial remedies in connection with the arbitration and to confirm any arbitration award.

Dated: New York, New York
March 19, 2007

s/Arthur J. Gonzalez
HON. ARTHUR J. GONZALEZ
UNITED STATES BANKRUPTCY JUDGE